

MAY 28 2013

cc: Peter



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

FILLMORE FIELD OFFICE

95 East 500 North

Fillmore, Utah 84631

<http://www.blm.gov/ut/st/en/fo/fillmore.html>



In Reply Refer to:

3600

UTU-089052

(UTW02000)

May 24, 2013

CERTIFIED MAIL # 7011 3500 0000 1992 4572
RETURN RECEIPT REQUESTED

MR. JORGE MUÑOZ
INDUSTRIAL CINDERS
P.O. BOX 1769
SAN PEDRO, CA 90733

Dear Mr. Muñoz:

Enclosed please find your copy of the mineral materials sales contract for 30,000 cubic yards (yd³) of volcanic cinders at your Pahvant Butte site, T. 19 S., R. 06 W., sec. 31, Salt Lake Meridian, in Millard County, Utah. Please complete and return this document with your signature to indicate your agreement with the terms of the contract.

As specified in the Code of Federal Regulations (CFR), under part 43 CFR § 3602.34, your contract will be in effect for five (5) years from the date of contract approval. As stated in 43 CFR § 3602.27, the contract may be granted an extension of up to one year, if desired, if the BLM receives your written extension request between 30 and 90 days before the contract expires.

A total amount of \$17,100.00 is due for the purchase of 30,000 yd³ of the mineral materials at the time of contract completion, in full or in installments. The appraisal price of \$0.57 per yd³ was determined by cost comparison with similar sales of volcanic cinders or ash in rural areas of Utah. A mean value from the comparable sales was used to determine the sale price at fair market value.

If you prefer, you may pay the purchase price of \$17,100.00 in installments, as specified under 43 CFR § 3602.21. The first installment, due at the time of contract signing, must be no less than 5 percent of the sale price, or \$855.00.

An amount of \$12,321.00 is also due prior to initiation of operations for a reclamation Financial Guarantee, or reclamation bond. This amount is completely refundable after reclamation tasks have been completed satisfactorily at the site. The fee is an estimation of the cost to the Bureau of Land Management (BLM) to complete reclamation with a third-party contractor if the operation should be abandoned prior to complete reclamation. The amount was calculated with Sherpa for Reclamation Bonds – Version 3.10, a software application for reclamation cost estimation. Adequate reclamation

will consist of acceptable earthwork and revegetation of the surface disturbance areas with a self-sustaining community of mature native vegetation. All reclamation must be approved by an authorized office of the BLM prior to release of all, or any part, of the Financial Guarantee.

If you have any questions or concerns, please contact Duane Bays, BLM Fillmore Field Office Natural Resource Specialist, at 435-743-3115, or Jerry Mansfield, BLM Fillmore Field Office Geologist, at 435-743-3125.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. Gates", with a stylized flourish at the end.

Michael D. Gates
Field Manager

Enclosures:

Negotiated Sale Contract UTU-89052
Stipulations for Contract UTU-89052
Reclamation Cost Estimate – Volcanic Cinders

cc: **Paul Baker**
Utah Division of Oil, Gas & Mining (UDOGM)
1594 W North Temple Ste 1210
Salt Lake City, UT 84114

Opie Abeyta
BLM – Utah State Office
440 W 200 S, Ste 500
Salt Lake City, UT 84101-1345